

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

dELiA\*s, INC., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 14- \_\_\_\_ (\_\_\_\_)

Joint Administration Requested

**DECLARATION OF EDWARD BRENNAN PURSUANT TO  
LOCAL BANKRUPTCY RULE 1007-2 AND IN SUPPORT OF  
CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS**

I, Edward Brennan, being duly sworn, deposes and says:

1. I am the Chief Financial Officer of dELiA\*s, Inc. and certain of its subsidiaries and affiliates (collectively, the “Company” or “Debtors”) in the above captioned Chapter 11 cases (the “Chapter 11 Cases”). I have been employed by the Debtor since February 2004 holding various positions within Finance and am responsible for overseeing the general accounting and financial planning of the Company. As such, I have developed substantial institutional knowledge regarding the Debtors’ finances, day-to-day operations, business affairs, and books and records.

2. I am over the age of 18, competent to testify, and authorized to submit this Declaration in support of the Debtors’ Chapter 11 petitions and the first day pleadings described herein (the “First Day Motions”).

3. On the date hereof (the “Petition Date”), the Debtors commenced these Chapter 11 Cases by filing voluntary petitions for relief under Chapter 11 of title 11 of the United States

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<sup>1</sup> The Debtors in these Chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification number, are as follows: dELiA\*s, Inc. (7172); dELiA\*s Distribution Company (9076); A Merchandise, LLC (7639); dELiA\*s Operating Company (3765); dELiA\*s Retail Company (0036); dELiA\*s Group Inc. (4035); AMG Direct, LLC (9236); dELiA\*s Assets Corp. (3754); DACCS, Inc. (0225). The mailing address for the Debtors, solely for purposes of notices and communications, is: 50 West 23rd Street, New York, NY 10010.

Code, as amended (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “Court”).

4. The Debtors continue to manage and operate their businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee, examiner or official committee of unsecured creditors has been appointed in these Chapter 11 Cases.

5. The Debtors have filed or anticipate filing the following First Day Motions:

- i. *Debtors’ Motion for Order Directing Joint Administration of Cases Pursuant to Fed. R. Bankr. P. 1015(b)* (“Joint Administration Motion”);
- ii. *Debtors’ Motion for Entry of an Order (I) Authorizing the Debtors to (A) Prepare a List of Creditors in Lieu of a Formatted Mailing Matrix, (B) File a Consolidated List of the Debtors’ 50 Largest Unsecured Creditors and (C) Mail Initial Notices and (II) Approving the Form and Manner of Notifying Creditors of Commencement of Debtors’ Chapter 11 Cases* (“Consolidated List Creditor Motion”);
- iii. *Debtors’ Motion for Entry of an Order Extending the Time to File Schedules of Assets and Liabilities, Schedules of Current Income and Expenditures, Schedules of Executory Contracts and Unexpired Leases and Statements of Financial Affairs* (“Motion to Extend Time to File Schedules”);
- iv. *Debtors’ Application for Appointment of Prime Clerk LLC as Claims and Noticing Agent* (“Claims Agent Application”);
- v. *Motion of the Debtors for Entry of Interim and Final Orders (I) Authorizing the Continued Use of the Debtors’ Cash Management System, (II) Authorizing Continued Maintenance of Existing Bank Accounts and Business Forms, and (III) Extending the Time to Comply with the Requirements of Section 345(b) of the Bankruptcy Code* (“Cash Management Motion”);
- vi. *Debtors’ Motion for Entry of an Order Authorizing Debtors to Pay Prepetition Wages, Compensation, and Employee Benefits* (“Wage Motion”);
- vii. *Debtors’ Motion for Interim and Final Orders Pursuant to 11 U.S.C. §§ 105(a) and 366 (I) Approving Debtors’ Proposed Form of Adequate Assurance of Payment, (II) Establishing Procedures for Resolving Objections by Utility Companies and (III) Prohibiting Utility Companies From Altering, Refusing Or Discontinuing Service* (“Utilities Motion”);

- viii. *Debtors' Motion for Interim and Final Orders Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 1107 and 1108 and Fed. R. Bankr. P. 6003 Authorizing Debtors to (I) Maintain Existing Insurance Policies and Pay All Insurance Obligations Arising Thereunder, and (II) Renew, Revise, Extend Supplement, Change or Enter into New Insurance Policies ("Insurance Motion")*;
- ix. *Debtors' Motion for Interim and Final Orders Pursuant to 11 U.S.C. §§ 105(a), 507(a)(8) and 541 and Fed. R. Bankr. P. 6003 Authorizing the Debtors to Pay Certain Prepetition Sales, Use and Other Such Trust Fund Taxes and Related Obligations ("Tax Motion")*;
- x. *Debtors' Motion for Interim and Final Orders Pursuant to 11 U.S.C. §§ 105(a) 363(b), 503(b), 506, 1107 and 1108 and Fed. R. Bankr. P. 6003 Authorizing Payment of Certain Prepetition Shipping and Delivery Charges ("Shipping and Delivery Motion")*;
- xi. *Debtors' Motion for Interim and Final Orders Pursuant to 11 U.S.C. §§ 105(A), 363, 507(A)(7), 1107 and 1108 and Fed. R. Bankr. P. 6003 Authorizing Continuation of Certain Customer Practices ("Customer Practices Motion")*;
- xii. *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to Obtain Postpetition Financing and Use Cash Collateral, (II) Granting Adequate Protection, (III) Scheduling a Final Hearing, and (IV) Granting Certain Related Relief ("DIP Financing Motion")*; and
- xiii. *Debtors' Emergency Motion for Entry of Interim and Final Orders (A)(I) Approving the Debtors' Assumption of Agency Agreement, (II) Authorizing the Debtors to Sell Certain Assets through Store Closing Sales, (III) Authorizing the Debtors to Abandon Unsold Property, (IV) Waiving Compliance with Contractual Store Closing Sale Restrictions and Exempting the Debtors from State and Local Wage Requirements and Laws Restricting Store Closing Sales, (V) Granting Related Relief, and (VI) Scheduling a Final Hearing ("Agency Agreement Motion").*

6. Additionally, the Debtors anticipate filing at the outset of these Chapter 11 Cases, among other things, applications seeking authorization for the Debtors to retain certain professionals in connection with these Chapter 11 Cases and a motion to establish interim compensation procedures for such professionals.

7. I submit this declaration pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York (the “Local Rules”) and in support of the First Day Motions. Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge, information supplied to me by other members of the Debtors’ management and professionals, my review of the relevant documents, or my experience with, and knowledge of, the Debtors’ operations and financial condition. If called upon, I could and would testify to the facts set forth herein. I am authorized to submit this Declaration.

8. This Declaration is divided into three parts. Part I of this Declaration provides background information about the Debtors, their business operations, and the circumstances surrounding the commencement of these Chapter 11 cases. Part II sets forth the relevant facts in support of each of the Debtors’ First Day Motions. Annexed to this Declaration are schedules providing additional information about the Debtors, as required by Local Rule 1007-2.

## **PART I**

### **BACKGROUND**

#### **A. THE DEBTORS’ OPERATIONS AND BUSINESSES.**

9. Launched in 1993, the Company is a multi-channel retailer which sells apparel, accessories, footwear, and cosmetics marketed primarily to teenage girls and young women. The dELiA\*s brand products are sold through the Company’s mall-based retail stores, direct mail catalogs and e-commerce websites.

- Retail Stores. As of the Petition Date, the Debtors own and operate ninety-two (92) stores in twenty-nine (29) states. The inventory for the retail stores are located at the retail stores and at the Debtors’ distribution center located in Hanover, Pennsylvania. (the “Distribution Center”).
- Direct Business Platform. Through the Direct Business Platform, the Debtors sell dELiA\*s products and merchandise via direct mail catalogs and e-

commerce websites. The inventory for the Direct Business Platform is also located at the Distribution Center.

10. The retail apparel business is highly competitive, and the Debtors' businesses account for a fraction of the total market for teenage girls' and young women's apparel. The Company's stores compete with discount stores, specialty apparel stores, department stores, manufacturer-owned factory outlet stores and other retail outlets. At various times of the year, department store chains and specialty shops offer brand-name merchandise at substantial markdowns which further intensifies the competitive nature of the industry.

11. As of the Petition Date, the Debtors owned assets of approximately \$74 million based on book value; however, based on the recent Auction (as defined below), the best estimated value of the Debtors' assets is approximately \$47 million on a consolidated basis. As of the Petition Date, the Debtors had aggregate liabilities of approximately \$50.5 million. The Debtors' revenue for 2014 through the Petition Date is approximately \$90 million.

#### **B. THE DEBTORS' CORPORATE STRUCTURE.**

12. A corporate organization chart depicting the ownership structure of the Debtors is attached hereto as **Exhibit A**. dELiA\*s, Inc., a publicly-held Delaware corporation, is the parent company of each of the other Debtors. The Debtors' retail stores are operated by dELiA\*s Retail Company. The Debtors' Direct Business Platform is operated by dELiA\*s Operating Company.

13. Prior to the Petition Date, dELiA\*s, Inc. common stock was listed on NASDAQ under the symbol "**DLIA**." As of the Petition Date, approximately 77 million shares of dELiA\*s, Inc. common stock were outstanding.

14. On February 18, 2014, the Company sold and issued (i) 199,834 shares of series B preferred stock (the "**Preferred Stock**") for an aggregate purchase price of \$19,983,400, and (ii) an aggregate of \$24,116,600 in principal amount of notes. The Preferred Stock has a stated

value of \$100 per share and is convertible at the option of the holder into shares of common stock.

15. Holders of Preferred Stock are entitled to receive, when, as and if declared by the Board of Directors of the Company, out of any funds legally available therefor, dividends per share of Preferred Stock in an amount equal to 6% per annum of the stated value per share. The first date on which dividends are payable is February 18, 2015, and, thereafter, dividends are payable semi-annually in arrears on February 18th and August 18th of each year. Dividends, whether or not declared, begin to accrue and are cumulative from February 18, 2014. If the Company does not pay any dividend in full on any scheduled dividend payment date, then dividends thereafter will accrue at an annual rate of 8.0% of the stated value of the Preferred Stock from such scheduled dividend payment date to the date that all accumulated dividends on the Preferred Stock have been paid in cash in full. In addition, if the Company does not meet minimum borrowing availability tests under the Prepetition Credit Agreement (as defined below) with Salus (as defined below), it may not pay dividends on the Preferred Stock.

#### **C. THE DEBTORS' CAPITAL STRUCTURE.**

16. dELiA\*s, Inc. and certain of its wholly-owned subsidiaries, as borrowers (as the “Borrowers”),<sup>2</sup> and certain of its wholly-owned subsidiaries, as guarantors (the “Guarantors”),<sup>3</sup> entered into that certain Credit Agreement, dated as of June 14, 2013 (the “Prepetition Credit Agreement”) with Salus Capital Partners, LLC (“Salus”), as a lender and as agent for the lenders that are from time to time parties to the Prepetition Credit Agreement (together, with Salus in its capacity as a lender, the “Lenders”). The Prepetition Credit Agreement replaces the Company’s

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<sup>2</sup> The Borrowers under the Prepetition Credit Agreement are: dELiA\*s, Inc., dELiA\*s Distribution Company, A Merchandise, LLC (f/k/a Alloy Merchandise, LLC), dELiA\*s Operating Company, dELiA\*s Retail Company, dELiA\*s Group Inc., and AMG Direct, LLC.

<sup>3</sup> The Guarantors under the Prepetition Credit Agreement are: dELiA\*s Assets Corp., and DACCS, Inc.

prior revolving credit facility with General Electric Capital Corporation (“GE Capital”). The Prepetition Credit Agreement provides for a total aggregate commitment of the Lenders of \$25,000,000, has a term of four years and matures on June 14, 2017. The obligations of the Borrowers under the Prepetition Credit Agreement are secured by substantially all property and assets of the Company and certain of its subsidiaries. The Guarantors guaranteed, on a joint and several basis, all of the Obligations (as defined in the Prepetition Credit Agreement) of the Borrowers under the Prepetition Credit Agreement.

17. The Prepetition Credit Agreement requires the Company to have a blocked account arrangement whereby all cash received is deposited into a blocked account and use to pay down the loan under the Prepetition Credit Agreement. As of the Petition Date, approximately \$18.5 million is outstanding under the Prepetition Credit Agreement.

18. On June 14, 2013, the Company and certain of its wholly-owned subsidiaries (the “Applicants”) entered into a Letter of Credit Agreement with GE Capital to provide for the issuance of letters of credit to finance the acquisition of inventory from suppliers, to provide standby letters of credit to landlords, insurance providers and other parties for business purposes and for other general corporate purposes. The aggregate letters of credit issued and to be issued under the Letter of Credit Agreement at any one time may not exceed \$15,000,000. The obligations of the Applicants under the Letter of Credit Agreement are secured by cash collateral deposited with GE Capital in the amount equal to 105% of the letters of credit outstanding from time to time. As of the Petition Date, the aggregate amount of outstanding letters of credit issued under the Letter of Credit Agreement is approximately \$7.7 million.

#### **D. EVENTS LEADING TO THE FILING OF THE CHAPTER 11 CASES.**

19. Starting in 2013, the Company’s revenue and profitability declined due to several factors, including the extremely competitive market for teenage girls’ and young women’s

apparel and still struggling national economy. Therefore, the Company has faced increased competition for declining consumer purchases for the types of apparel and products the Company sells. For the fiscal year ended 2013, the loss before income taxes was \$57 million.

20. In response, the Company undertook numerous initiatives to improve their performance and maximize value, including initiating closings of underperforming stores. The Company has closed fourteen (14) stores in the past twenty (20) months and is scheduled to close an additional three (3) stores in January 2015. The majority of these stores were underperforming. Additionally, the Company has reduced its catalog circulation by 27% in 2014 as compared to 2013.

21. On August 28, 2014, the Company retained Janney Montgomery Scott, LLC (“Janney”) as its investment banking firm to commence exploration of all possible sources of capital funding for the Company as well as a potential sale of the Company, each in accordance with the terms of the existing engagement between the Company and Janney, dated February 19, 2013. Janney provided services on matters relating to capital raising (whether institutional, retail or lenders, or from the private placement of debt instruments or equity securities), potential mergers, sales, joint ventures or similar transactions.

22. From August 28, 2014 through mid-November 2014, I understand that Janney assisted the Company’s active efforts in securing either or both of a capital raise or a potential sale of the Company. In connection with the capital raise, Janney reached out to thirty (30) potential investors. The Company received two (2) draft term sheets in mid-to-late October 2014 for capital raise transactions that would act as a bridge to a potential sale of the Company in the near term. The Company considered both proposals and ultimately did not, in the exercise of its business judgment, approve to proceed with either transaction.



23. At the same time that the Company was meeting and actively negotiating with potential investors, I understand that Janney also contacted over seventy (70) potential purchasers. While there appeared to be interest, nothing came to fruition and the Company did not receive any bids by the November 25, 2014 deadline.

24. Janney aggressively sought out potential buyers for the Company for the past 90 days. A fully functional data room was set up for the potential buyers to review the Company's financial information. Additionally, senior management of the Company met with potential buyers to review the opportunity and answer any and all questions. There have been five (5) potential buyers who have engaged in talks with the Company and who have utilized the data room. To date, no buyers have expressed a continued interest in buying the Company.

25. In September 2014, the Company retained Clear Thinking Group LLC ("Clear Thinking") as financial advisor to the Company. Since its retention, Clear Thinking has been significantly involved with all aspects of the Company's businesses. Clear Thinking has been instrumental in advising the Company with regards to cash management, inventory purchases, and expense reductions, including a reduction in force, working through credit issues with the Lenders and advising the Company on the potential sale of the business and/or its assets.

26. In November 2014, Clear Thinking solicited bids from national liquidation firms to serve as the Company's exclusive agent in connection with the liquidation of the merchandise and owned furniture, fixtures and equipment located at the Company's retail store locations and e-commerce platform by means of store closings or similar themed sales (the "Sales"). The Company received three (3) competing bids and determined that a joint venture composed of Gordon Brothers Retail Partners, LLC and Hilco Merchant Resources, LLC (the "Liquidating Agent") should serve as the Company's exclusive liquidating agent for the Sales.

27. On December 4, 2014, the Debtors entered into an agency agreement (the “Agency Agreement”) with the Liquidating Agent to, among other things, liquidate all merchandise owned by the Debtors and to dispose of certain furnishings, trade fixtures, equipment and improvements to real property with respect to the Debtors’ stores.

28. As described in further detail below, the Debtors have filed a motion to, among other related relief, assume the Agency Agreement, authorize the Debtors to conduct store closures and sell all of their inventory, and authorize the Liquidating Agent to conduct store closing sales and going out of business sales of the Debtors’ assets located in their retail stores and the inventory in a distribution center for their direct platform business.

29. The Debtors have filed these Chapter 11 Cases to best maximize value for the benefit of all interested parties - including creditors and stockholders - by conducting an orderly wind down and total liquidation of their assets.

## **PART II**

### **FIRST DAY MOTIONS**

30. Concurrently with the commencement of these Chapter 11 Cases, the Debtors have filed a number of First Day Motions to minimize the adverse effects of the Chapter 11 Cases on their businesses during the pendency of the bankruptcy. I have reviewed each of the First Day Motions and related orders (including the exhibits attached thereto) and the facts set forth therein are true and correct to the best of my knowledge, information and belief. I believe that the relief sought in each of the First Day Motions and Orders (a) is vital to enable the Debtors to make the transition to, and operate in, Chapter 11 with minimum interruption or disruption to their businesses or loss of productivity or value and (b) constitutes a critical element in achieving an orderly wind-down of the Debtors’ businesses.

**A. JOINT ADMINISTRATION MOTION.**

31. The Debtors seek entry of an order directing joint administration of these Chapter 11 Cases for procedural purposes only. I believe that joint administration will also save time and money and avoid duplicative and potentially confusing filings by permitting counsel for all parties in interest to (a) use a single caption on the numerous documents that will be served and filed herein and (b) file the papers in one case rather than in multiple cases. I understand that joint administration will also protect parties in interest by ensuring that parties in each of the Debtors' respective Chapter 11 Cases will be apprised of the various matters before the Court in these cases.

32. I have also been advised that rights of the respective creditors and stakeholders of each of the Debtors will not be adversely affected by joint administration of these cases inasmuch as the relief sought is purely procedural and is in no way intended to affect substantive rights.

**B. CONSOLIDATED LIST CREDITOR MOTION.**

33. The Debtors request that the Court authorize them: (a) to prepare a consolidated list of creditors in the format or formats currently maintained in the ordinary course of business in lieu of submitting any required mailing matrix; (b) file a consolidated list of the Debtors' 50 largest unsecured creditors; and (c) mail the Notice of Commencement (as defined in the Consolidated List Creditor Motion) through Prime Clerk LLC ("Prime Clerk").

34. There are nine (9) Debtor entities involved in these Chapter 11 Cases and the Debtors estimate that they have over 500 creditors on a consolidated basis. Contemporaneously with the filing of the motion, the Debtors have filed an application to retain Prime Clerk as their notice and claims agent in these Chapter 11 Cases. The Debtors believe that using Prime Clerk

for this purpose will maximize administrative efficiency in these Chapter 11 Cases and reduce the administrative burdens that would otherwise fall upon this Court and the U.S. Trustee.

35. The Debtors believe that preparing the consolidated list in the format or formats currently maintained by the Debtors in the ordinary course of business will be sufficient to permit Prime Clerk to promptly provide notices to all applicable parties. Accordingly, the Debtors believe that maintaining their lists of creditors and equity holders in electronic format rather than preparing and filing separate matrices will maximize efficiency, increase accuracy and reduce costs to the benefit of these estates.

**C. MOTION TO EXTEND TIME TO FILE SCHEDULES.**

36. The scope and complexity of the Debtors' businesses, coupled with the limited time and resources available to the Debtors to marshal the required information, necessitate an extension of the deadline to file the Schedules and SOFAs. As stated above, the Debtors have over 500 potential creditors and operate a nationwide retail business with products sourced around the globe. Further, the nature and scope of the Debtors' operations require them to maintain voluminous records and intricate accounting systems.

37. I believe that an extension is necessary due to the complexity and diversity of the Debtors' business, the limited staff available to perform the required internal review of their financial records and affairs, the numerous critical operational matters that their limited accounting staff and legal personnel must address in the early days of these Chapter 11 Cases, the pressure incident to the commencement of these Chapter 11 Cases, and the fact that certain prepetition invoices may have not yet been received or entered into their accounting systems.

**D. CLAIMS AGENT APPLICATION.**

38. The Debtors request that Prime Clerk be appointed as the claims and noticing agent for the Debtors and these Chapter 11 Cases, including assuming full responsibility for the

distribution of notices and the maintenance, processing and docketing of proofs of claim filed in these Chapter 11 Cases.

39. The Debtors have obtained and reviewed engagement proposals from four (4) other court-approved claims and noticing agents to ensure selection through a competitive process. Moreover, the Debtors submit, based on all engagement proposals obtained and reviewed, that Prime Clerk's rates are competitive and reasonable given Prime Clerk's quality of services and expertise.

**E. CASH MANAGEMENT MOTION.**

40. Prior to the Petition Date, the Debtors employed a cash management system to efficiently collect, transfer, and disburse the funds generated by its business operations (the "Cash Management System"). The Debtors have depository accounts (the "Depository Accounts") for dELiA\*s Retail Company, dELiA\*s Operating Company, dELiA\*s Distribution Company and dELiA\*s, Inc. and for each of the Debtors' retail store locations at the banks (the "Banks") listed in the Cash Management Motion. Cash sales from stores, credit card deposits, and checks from both stores and mail orders are deposited into the depository accounts daily. Credit card deposit account balances are automatically transferred on a daily basis at noon EST into a blocked account under dELiA\*s, Inc. (the "Blocked Concentration Account"). The Depository Accounts have minimal or a zero balance at the end of each day.

41. Store bank accounts and catalog depository accounts are also swept daily into the Blocked Concentration Account. At the end of each business day, the entire balance in the Blocked Concentration Account is transferred to an account controlled by Salus (the "Salus Account") under the Prepetition Credit Agreement. The funds from the Blocked Concentration Account are used to pay down any outstanding balance under the Prepetition Credit Agreement.

42. In the event funds are needed to fund the daily activities of the Debtors' businesses, such as payroll and refunds, as well as any authorized wires or ACH debits, funds are borrowed under the Prepetition Credit Agreement are deposited directly into a "funding account" held by dELiA\*s, Inc. (the "Funding Account") into the relevant Debtor entity's payroll, refunds or disbursements accounts for payment to third parties.

43. The Cash Management System facilitates the Debtors' cash forecasting and reporting and enables the Debtors to monitor and record the collection and disbursement of funds and maintain control over the administration of their bank accounts (the "Bank Accounts").<sup>4</sup>

44. Although the Debtors maintain the Bank Accounts as part of an established cash management system, it is my understanding that the U.S. Trustee Guidelines require that the Debtors, as debtors in possession, take certain actions with respect to their prepetition Bank Accounts in order for the U.S. Trustee to supervise the administration of the Debtors' Chapter 11 Cases. I have been informed that, according to the U.S. Trustee Guidelines, the requirements are designed to (i) draw a clear line of demarcation between prepetition and postpetition transactions and operations, and (ii) prevent inadvertent postpetition payment of prepetition claims. The Debtors submit, however, that a waiver of certain requirements is warranted in these Chapter 11 Cases.

45. Specifically, both the Blocked Concentration Account (where most of the Debtors' cash is held) and the Funding Account (from which funds are disbursed to the various accounts of the Debtors on an as needed basis) are with JPMorgan Chase, Bank, N.A. ("JPMorgan"), a financially stable banking institution with FDIC insurance (up to an applicable limit, if any, per Debtor). To protect against the unauthorized payment of prepetition

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<sup>4</sup> The Debtors believe that the list of Bank Accounts attached as Exhibit C is complete but reserve the right to supplement such list in the event the Debtors have inadvertently omitted a Bank Account.

obligations, the Debtors represent that if they are authorized to continue to use the Bank Accounts, they will not pay, and JPMorgan will be directed not to pay, any debts incurred before the Petition Date, other than as authorized by this Court. In the event there are funds currently in an account at a Bank other than JPMorgan, the Debtors will direct such Bank not to pay any debts incurred before the Petition Date, other than as authorized by this Court.

46. If the U.S. Trustee's requirements are enforced in these Chapter 11 Cases, such requirements would cause enormous disruption in the Debtors' business and would impair the Debtors' business operations during these Chapter 11 Cases to the detriment of their estates and creditors. Indeed, as explained in detail above, the Bank Accounts comprise an established cash management system that the Debtors need to maintain in order to ensure that collections and disbursements continue to occur without issue or disruption during the pending of these Chapter 11 Cases.

47. The Debtors' Cash Management System is highly automated and computerized. This allows the Debtors to manage centrally all of their cash flow needs and includes the necessary accounting controls to enable the Debtors, as well as creditors and the Court, to trace funds through the system and ensure that all transactions are adequately documented and readily ascertainable. While the Debtors' Chapter 11 Cases are pending, the Debtors will continue to maintain detailed records reflecting all transfers of funds.

48. Accordingly, in order to avoid delays in payments to administrative creditors, to ensure as smooth a transition into Chapter 11 as possible with minimal disruption, and to aid in the Debtors' efforts to maximize the value of their estates.

#### **F. WAGE MOTION.**

49. The Debtors request that the Court enter an order, under sections 105(a), 363(b), 507(a), 1107(a) and 1108 authorizing, but not directing, the Debtors: (a) to pay and/or perform,

as applicable, prepetition obligations to current employees, retirees and independent contractors, including accrued prepetition wages, salaries and other cash and non-cash compensation claims, except as otherwise set forth herein (collectively, the “Employee Claims”); (b) to honor and continue in the ordinary course of business until further notice (but not assume), certain of the Debtors’ vacation, sick time and holiday time policies, workers’ compensation, employee and retiree benefit plans and programs (collectively, the “Employee Benefit Obligations”), as described below, and to pay all fees and costs in connection therewith, except as otherwise set forth herein; (c) to reimburse Employees for prepetition expenses that Employees incurred on behalf of the Debtors in the ordinary course of business (the “Employee Expense Obligations”); (d) to pay all related prepetition withholdings, and payroll-related taxes associated with the Employee Claims and the Employee Benefit Obligations (the “Employee Taxes”); and (e) to pay all administrative fees and employer contributions to Employee pension funds (the “Pension Obligations” and, together with the Employee Claims, the Employee Benefit Obligations, the Employee Expense Obligations and the Employee Taxes collectively, the “Prepetition Employee Obligations”), all as described in detail in the Wage Motion.

50. The Debtors believe, in the exercise of their business judgment, that relief is necessary to avoid immediate and irreparable harm to the Debtors’ estates. Paying prepetition wages, employee benefits and similar items will benefit the Debtors’ estates and their creditors by allowing the Debtors to conduct the postpetition liquidation and wind-down process effectively. Indeed, the Debtors believe that without the relief requested herein being granted, their Employees may seek alternative opportunities sooner than the liquidation is complete. Such a development would deplete the Debtors’ workforce, thereby hindering the Debtors’ ability to conduct an orderly wind down.



**G. UTILITIES MOTION.**

51. In connection with the operation of their businesses and the management of their properties, the Debtors obtain water, gas, electricity, telephone, and similar utility products and services (collectively, the “Utility Services”) from the Utility Companies covering a number of utility accounts. The relief requested herein is for all Utility Companies providing Utility Services to the Debtors and is not limited to those listed on the Utility Company List attached to the Interim Order as Schedule 1.

52. On average, prior to the Petition Date, the Debtors spent approximately \$203,000 each month on account of Utility Services. Included in the calculation of this amount are certain utilities that are included in the Debtors’ rent payments to landlords at certain store locations who are then responsible for paying the relevant utility companies. Currently, certain of the Utility Companies already hold deposits of approximately \$8,500 in the aggregate.

53. Uninterrupted Utility Services are essential to the Debtors’ business operations during the pendency of these Chapter 11 Cases, particularly during the crucial upcoming holiday sales season. Should any Utility Company alter, refuse or discontinue service, even for a brief period, the Debtors’ business operations could be severely disrupted, and such disruption would jeopardize the Debtors’ efforts. It is essential that the Utility Services continue uninterrupted.

**H. INSURANCE MOTION.**

54. The Debtors maintain various insurance programs providing coverage for, among other things, workers’ compensation liability, automobile liability, employment practices liability, commercial property liability, international liability, crime liability, directors and officers liability, fiduciary liability, and commercial umbrella (collectively, the “Insurance Programs”). The Insurance Programs include coverage primarily from the insurance policies (collectively, the “Insurance Policies”), which the Debtors have obtained through third-party

insurance carriers (collectively, the “Insurance Carriers”). As of the Petition Date, the Debtors believe they are current on all of their premium obligations arising under the Insurance Policies. The Debtors maintain the Insurance Policies in amounts and types of coverage in accordance with laws governing the multiple jurisdictions in which the Debtors do business as well as in accordance with their contractual obligations.

55. For the policy period 2014-2015, the total annual premiums under the Insurance Policies equaled approximately \$836,000. The coverage types, levels and premiums for these Insurance Policies are neither unusual in amount nor in number in relation to the extent of the business operations conducted by the Debtors, and are similar to businesses of a comparable size and type to those of the Debtors.

56. As of the Petition Date, the Debtors believe that they are current on their payment obligations under the Insurance Policies, including the D&O Policy which expires on March 2, 2015. Although the Debtors believe they are current, to the extent the Debtors discover that there are any outstanding prepetition obligations due, the Debtors request, out of an abundance of caution, authorization to make payments of Insurance Obligations and Premium Financing Obligations (plus any unforeseen deductible payment amounts for prepetition claims).

57. The Insurance Policies maintained by the Debtors will eventually expire under their annual terms. I have been advised that maintenance of insurance coverage is required under the United States Trustee for Region 2 Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees (Revised November 27, 2013) (the “Guidelines”), the laws of many of the various jurisdictions in which the Debtors operate, the Debtors’ various contractual agreements, and/or prudent business practices. Furthermore, coverage under the Insurance Policies is needed to protect the Debtors as they wind down their businesses in an orderly

fashion. To the extent that any Insurance Policy premiums may be attributed to prepetition insurance coverage, the Debtors believe that payment of such Insurance Policy premiums is necessary to ensure continued coverage. Similarly, the Debtors' believe that continued payment of Insurance Policy premiums as such premiums come due is necessary to ensure continued coverage.

58. The Debtors have been represented in their negotiations with the various Insurance Carriers by UIC, Inc., Marsh USA Inc., and Arthur J. Gallagher & Co. (the "Insurance Consultants"). The employment of the Insurance Consultants has allowed the Debtors to obtain the insurance coverage necessary to operate their businesses in a reasonable and prudent manner, and to realize considerable savings in the procurement of such policies. Employment of the Insurance Consultants is necessary for the maintenance of the Insurance Policies in the most efficient, cost-effective manner, and based on the fact that failure to maintain the Insurance Policies and Insurance Programs would violate the Guidelines, the Debtors believe that they should be authorized to continue to pay the applicable Insurance Obligations to the Insurance Consultants as these obligations become due. This is especially necessary during the next few weeks as many of the Debtors' Insurance Policies expire at the end of January 2015 and the Debtors require the Insurance Consultants to maintain and renew any Insurance Policies that the Debtors believe are necessary.

59. In the event that the Debtors were unable to pay the Insurance Consultants' fees, it is likely that the Debtors would lose the services of a knowledgeable agent and be forced to find other entities willing to serve as their insurance consultant. The Insurance Consultants have a unique knowledge of the Debtors' business and insurance needs that would be difficult to replace in the event that the Insurance Consultants refuse to continue as the Debtors' agent.

60. Non-payment of the Insurance Obligations could result in cancellation of the Insurance Policies and disengagement of the Insurance Consultants, in which case the Debtors would not only be in violation of the Guidelines, the laws of various states in which the Debtors operate, and various contractual agreements, but also the Debtors may be unable to find alternative insurance coverage and consulting services, or find such alternatives only at a much higher cost than the Debtors currently incur.

**I. TAX MOTION.**

61. Prior to the Petition Date, the Debtors in their ordinary course of business, incurred various Taxes, including state and local sales and use tax liabilities. Sales and use taxes accrue as the Debtors sell merchandise or consume goods and are calculated on the basis of statutorily mandated percentages of the price at which the Debtors' merchandise is sold and/or cost of merchandise consumed. As of the Petition Date, the Debtors were substantially current in the payment of assessed and undisputed Taxes; however, certain Taxes attributable to the prepetition period were not yet due. The Debtors estimate they may be liable for approximately \$535,000 in Taxes, of which approximately \$506,000 are sales taxes from the sale of merchandise that must be remitted to the Taxing Authorities.

62. The continued payment of the Taxes on their normal due dates will ultimately preserve the resources of the Debtors' estates, thereby creating a greater recovery for creditors and stakeholders. If such obligations are not timely paid, the Debtors will be required to expend time and incur attorneys' fees and other costs to resolve a multitude of issues related to such obligations, each turning on the particular terms of each Taxing Authority's applicable laws, including whether the obligations are proratable or fully prepetition or postpetition, and whether penalties, interest, and attorneys' fees and costs can continue to accrue on a postpetition basis,

and, if so, whether such penalties, interest, and attorneys' fees and costs are priority, secured or unsecured in nature.

63. Further, the Debtors believe that certain Taxes constitute "trust fund" taxes that are not included in property of the Debtors' estates, and/or obligations as to which the Debtors' officers and directors may have personal liability in the event of nonpayment. Efforts by Taxing Authorities to collect such taxes would provide obvious distractions to the Debtors and their officers and directors in their efforts to maximize the value of the estates.

64. Finally, certain Taxing Authorities either have not been paid or have been sent checks and/or wires for Taxes that may or may not have been presented or cleared as of the Petition Date. Similarly, in other cases, obligations have accrued or are accruing, or are subject to audit or review, but have not yet become due and payable. Accordingly, the Debtors seek authorization for their banks to honor prepetition checks and wires issued by the Debtors to the Taxing Authorities in payment of prepetition Taxes that, as of the Petition Date, have not cleared or been transferred. In addition, to the extent the Debtors have not yet sought to remit payment to the Taxing Authorities with respect to certain Taxes, the Debtors seek authorization to issue checks or provide for other means of payment to the Taxing Authorities as necessary to pay the Taxes.

**J. SHIPPING AND DELIVERY MOTION.**

65. In the ordinary course of their businesses, the Debtors incur certain fees and charges to several common carriers ("Shippers") to ship, transport, store and deliver goods through the Debtors' established distribution networks. The Debtors have contracts with these Shippers for the transportation services provided. The contracts typically set forth agreed upon rates for the transportation services. The Shippers are generally not paid in advance but rather invoice the Debtors for shipping services previously rendered. At any given time, there are

common carriers shipping goods to the Debtors' Distribution Center as well as carriers shipping goods from the Distribution Center to the Debtors' stores. In addition, the Debtors may be required to pay customs duties for goods delivered to them from overseas.

66. The Debtors estimate that the prepetition shipping charges to be paid are approximately \$350,000, which amount includes the high volume of shipping and delivery in connection with the recent "Black Friday" and "Cyber Monday" sales.

67. The Debtors rely extensively on their Shippers to distribute and transport merchandise to and from their distribution center in Hanover, PA (the "Distribution Center"). The Debtors also may rely on their Shippers to return goods, merchandise and products to the Debtors' vendors. The services provided by these Shippers are critical to the day-to-day operations of the Debtors' retail business. At any given time, shipments are en route to the Debtors' Distribution Center and stores.

68. The Debtors seek to pay the prepetition Shipping Charges for several reasons. First, because of the filing of these Chapter 11 Cases, I believe that certain Shippers who hold goods for delivery to or from the Debtors may refuse to release such goods pending payment for their services.

69. Second, if the prepetition Shipping Charges are not paid, many of the Shippers may refuse to perform future services for the Debtors. In such event, the Debtors will incur additional expenses (such as premium shipping costs) to replace the Shippers, which amounts may exceed the amount of unpaid prepetition Shipping Charges that the Debtors request permission to pay hereunder.

70. Third, because of the method of distribution employed by the Debtors, as well as space limitations, the Debtors' Distribution Center and the stores themselves hold only limited

quantities of merchandise at a given time. If shipments from the Distribution Center to the stores are not made promptly and regularly, the Debtors may risk having inadequate in-store inventory, which would disrupt the Debtors' wind-down process and liquidation sales. Such a disruption would be especially damaging because any delay would frustrate the Debtors' ability to capitalize on the upcoming holiday shopping season. I believe that the failure to pay the Shipping Charges could have a material adverse impact on the operations of their businesses and, thus, their efforts to maximize the value of their estates.

**K. CUSTOMER PRACTICES MOTION.**

71. The Debtors seek authority to maintain certain Customer Programs (as defined and described in detail in the Motion) and Credit Card Processing (as defined and described in detail in the Motion), in order to carry out the terms of the Agency Agreement.

72. The ability of the Debtors to maximize the value of their inventory for the benefit of their creditors and stakeholders is dependent upon the patronage of their customers. In this regard, the Debtors' Customer Programs and Credit Card Processing are critical, and any delay in honoring the Debtors' obligations thereunder could severely disrupt the Store Closing Sales.

73. I believe that any failure to honor prepetition customer obligations or inability to process credit card transactions, for even a brief time, may well drive away valuable customers, thereby harming the Debtors' efforts to maximize the value of their inventory. Accordingly, the Debtors seek Court authority to continue the Customer Programs and Credit Card Processing.

**L. DIP FINANCING MOTION**

74. The Debtors seek authority to enter into the DIP Facility (as defined in the DIP Financing Motion) which will provide the Debtors with access to as much as \$20,000,000 immediately after entry of the Interim DIP Order, which the Debtors have determined should be sufficient to support the Debtors' operations and liquidation sales through the pendency of these

Chapter 11 Cases. Additionally, the DIP Facility will provide the Debtors with access to the Cash Collateral, which relieves the Debtors of the cost of borrowing additional amounts to replace that cash. The Debtors negotiated the DIP Documents as part of their larger discussions with the Prepetition Secured Lenders and DIP Lender with respect to a court-approved sale process. The DIP Documents are a reflection of the cooperation among these parties, which is critical to the Debtors' ability to expeditiously and successfully conclude these Chapter 11 Cases.

75. I believe that the Debtors have an immediate and critical need to obtain postpetition financing under the DIP Facility and to use Cash Collateral to pay, in accordance with the Budget various parties in the ordinary course of business and as authorized by the Court. These include employees, landlords, third party vendors, utilities, insurance companies, taxing authorities, who in the judgment of the Debtors' management, provide the essential services needed to operate, maintain and insure the Debtors' assets. In addition, the Debtors require funds to retain and pay costs of professionals, consultants and advisors who will enable the Debtors to conduct sales of their assets and inventory in a manner that maximizes value for the Debtors' estates and their creditors. Taken together, the services provided by all of the foregoing parties and other entities are absolutely critical to the preservation of the Debtors' business and asset value.

76. The Debtors reasonably believe that the Budget will be adequate, considering all available assets, to pay all administrative expenses due or accruing during the period covered by the Budget. Without access to the DIP Facility and use of Cash Collateral, the Debtors would suffer immediate and irreparable harm and the entire bankruptcy proceedings will be jeopardized to the significant detriment of the Debtors' estates and their creditors.



77. Furthermore, I believe that the use of Cash Collateral alone would be insufficient to meet the Debtors' postpetition liquidity needs. The Debtors have been unable to obtain unsecured credit allowable as an administrative expense. The Debtors have also been unable to obtain credit: (a) having priority over that of administrative expenses; (b) secured by a lien on property of the Debtors and their estates that is not otherwise subject to a lien; or (c) secured solely by a junior lien on property of the Debtors and their estates that is subject to a lien. The Debtors require both additional financing under the DIP Facility and the continued use of Cash Collateral in order to satisfy their postpetition liquidity needs. Financing on a postpetition basis is not otherwise available without granting the DIP Lender the protections it required pursuant to the DIP Loan Documents.

78. The DIP Lender has indicated a willingness to provide the Debtors with certain financing commitments, but solely on the terms and conditions set forth in the DIP Loan Documents and the Interim Order. After considering all of their alternatives, the Debtors have concluded, in an exercise of their sound business judgment, that the financing to be provided by the DIP Lender pursuant to the terms of the DIP Loan Documents and the Interim Order represents the best financing presently available to the Debtors. These funds will be used to maintain the Debtors' assets during an orderly sale process.

79. The Debtors have negotiated the DIP Facility and the DIP Loan Documents in good faith and at arm's length with the DIP Lender and Prepetition Secured Lenders. The Debtors believe that the terms of the DIP Facility are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and fair consideration.

80. The Debtors' decision to enter into the DIP Facility is an exercise of their sound business judgment that warrants approval by the Court. Before the Petition Date, the Debtors and their advisors undertook a detailed investigation as to the Debtors' projected financing needs during the pendency of a bankruptcy case and determined that the Debtors would require postpetition financing to support their sale process. Accordingly, the Debtors negotiated the DIP Loan Documents with the DIP Lender in good faith, at arm's length and with the assistance of outside counsel, to obtain the required postpetition financing on terms favorable to the Debtors. Based on the advice of counsel and other professionals, and the Debtors' own analysis, the Debtors have determined in their sound business judgment that the DIP Documents provide a greater amount of financing on more favorable terms than any other reasonably available alternative.

**M. AGENCY MOTION.**

81. Prior to the Petition Date, the Debtors and their advisors considered various strategic options with respect to the sale of the retail stores and the Direct Business Platform. It was ultimately concluded that the Debtors' stores could not sustain continued operations and were not saleable as going concerns and therefore, it was in the best interests of the Debtors and their stakeholders to close their retail stores and liquidate all Store Inventory. Separately, the Debtors also explored a potential sale with respect to the Direct Business Platform, but, with the exception of inquiries the Debtors received with respect to the designation of rights to intellectual property, the Direct Business Platform did not generate much interest from the market.

82. Thus, the Debtors, with input from their financial advisor and, based on the results of efforts by their investment banker to obtain "going concern" transactions that included the Debtors' retail stores as well as obtaining additional financing, determined that conducting Store

Closing Sales by one or more experienced and reputable liquidators would achieve the maximum values for the Total Inventory and would minimize administrative expenses. Given the breadth of the Store Closing Sales and the need to obtain maximum value for the inventory, and to do so during the holiday season, the Debtors determined that the use of an outside liquidator would provide the highest and best value for the Total Inventory for the Debtors' creditors. As described in further detail below, the Debtors initially negotiated with potential bidders with respect to the liquidation of Store Inventory and Direct Inventory separately.

83. The Debtors also determined that it was critical to commence the Store Closing Sales as soon as possible to take advantage of the upcoming holiday shopping season in order to maximize the guaranteed recovery that the Debtors would receive from the Liquidation Agent for the Store Inventory. In addition, the sooner the Debtors commenced liquidating the Store Inventory, the sooner they would be able to reject the corresponding leases at the Closing Stores, eliminating significant expenses, and in turn maximizing value and possibly providing some recovery to their unsecured creditors.

84. It became apparent that at a certain guaranteed price to be paid for the Store Inventory by the Liquidating Agent, the sooner the Debtors can commence liquidating the Store Inventory and reject the corresponding leases at the Closing Stores, the sooner the Debtors can maximize value and possibly provide some recovery to their unsecured creditors.

85. In order to maximize the value of the Total Inventory and to efficiently and effectively liquidate such merchandise, the Debtors determined it was in their best interests to retain a professional liquidating agent. Accordingly, prior to the Petition Date, the Debtors and their advisors engaged in a strategic process to solicit bids to select a liquidation agent to sell the Store Inventory and/or the Direct Inventory.

86. The Debtors believe, in the exercise of their business judgment, that assumption of the Agency Agreement is in the best interests of their estates because it will allow the Debtors to continue to conduct the Store Closing Sales as presently being conducted in the Closing Stores, and upon entry of the Interim Order and Final Order by the targeted deadlines set forth in the Agency Agreement, the larger Guaranteed Amount will be payable to the Debtors by the Liquidating Agent. The Debtors, in consultation with their advisors and key constituents, having determined that there was no viable going concern buyer, further determined that in order to maximize what it would be receiving for Store Inventory (and Direct Inventory), the Store Closing Sales had to commence immediately in order to take advantage of the critically short holiday season.

87. Not taking advantage of the holiday season and waiting until January to begin the Store Closing Sales would have resulted in a significantly reduced recovery to the Debtors for the Total Inventory. Furthermore, the Liquidating Agent has agreed to a Guaranteed Amount of 91% of the cost value of the Total Inventory to be sold which is based on the amount of inventory. The sooner the Debtors are able to assume the Agency Agreement, the larger the Guaranteed Amount will be payable to the Debtors by the Liquidating Agent.

88. Moreover, the Auction, through its competitive bidding process, ensured that the Liquidating Agent was chosen in good faith and that the terms and conditions of the Agency Agreement are fair and reasonable and represent the highest and best offer for the Total Inventory. In light of the foregoing, the Debtors submit that the assumption of the Agency Agreement represents a reasonable exercise of the Debtors' business judgment and is in the best interest of their estates and creditors.

**PART III**

**SCHEDULES PURSUANT TO LOCAL RULE 1007-2**

89. Attached hereto and incorporated herein by reference are various schedules setting forth information required pursuant to Local Bankruptcy Rule 1007-2. Capitalized terms used in the attached schedules that are not otherwise defined therein shall have the meanings ascribed to them in this Declaration.

\* \* \*

I declare under penalty of perjury that the foregoing is true and correct.

Dated: December 7, 2014  
New York, New York

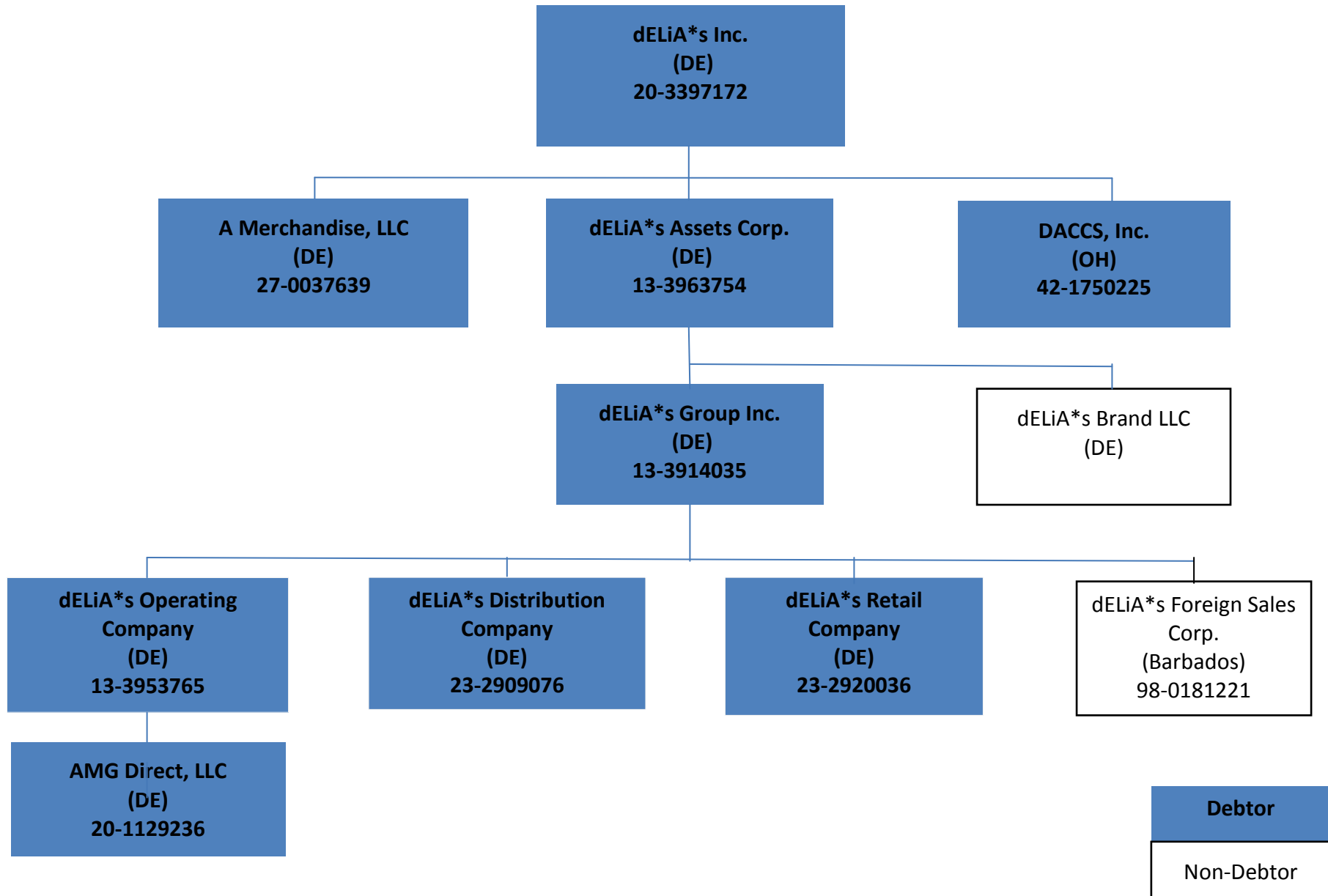
dELiA\*S INC. (for itself and on behalf of each of  
its affiliated debtors and debtors in possession)

By: /s/ Edward J. Brennan  
Name: Edward J. Brennan  
Title: Chief Financial Officer

**EXHIBIT A**

**Corporate Organizational Chart**

**dELiA\*s, Inc. AND AFFILIATES**



## **SCHEDULE 1<sup>1</sup>**

### **List of Committees Formed Prior to the Petition Date**

Pursuant to Local rule 1007-2(a)(3), and to the best of the Debtors' knowledge, no committees were organized prior to the Petition Date.

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<sup>1</sup> Capitalized terms used in the these schedules that are not otherwise defined therein shall have the meanings ascribed to them in the Declaration of Edward Brennan Pursuant to Local Bankruptcy Rule 1007-2 and In Support of Chapter 11 Petitions and First Day Motions.



## **SCHEDULE 2**

### **Consolidated List of the Holders of the 50 Largest Unsecured Claims**

Pursuant to Local Rule 1007-2(a)(4), the following provides information with respect to the holders of the 50 largest unsecured claims against the Debtors on a consolidated basis.

The information contained herein shall not constitute an admission of liability by, nor is it binding on, the Debtors. The Debtors reserve all rights to assert that any debt or claim listed herein in a disputed claim or debt, and to challenge the priority, nature, amount or status of any such claim or debt. In the event of any inconsistencies between the summaries set forth below and the respective corporate and legal documents relating to such obligations, the descriptions in the corporate and legal documents shall control. The schedule includes estimates outstanding claim amounts as of the Petition Date. The Debtors have excluded from this schedule any claims that will be addressed by the First Day Motions filed in connection with these Chapter 11 Cases. Any employees and former employees owed amounts under non-qualified pension plans or deferred compensation plans are also not included in this schedule.

	<b>Creditor</b>	<b>Contact, Mailing Address &amp; Telephone Number/Fax Number</b>	<b>Nature of Claim</b>	<b>Amount of Claim</b>
1.	Quad Graphics, Inc	P.O. BOX 842858 Boston MA 02284-2858 414-566-6000	Catalog Printing Expense & Paper	\$830,164.41
2.	Epicor Retail Solutions Corp	C/O T60167U P.O. BOX 66512 CHICAGO IL 60666-0512 514-426-0822	Capital Project (POS System)	\$627,899.53
3.	NYC Alliance Co LLC	525 7TH AVE STE 701 NEW YORK NY 10018	Trade Debt	\$626,323.89
4.	Poison Ivy	2430 PORTER ST LOS ANGELES CA 90021	Trade Debt	\$535,290.78
5.	Guru Knits	225 W 38TH ST LOS ANGELES, CA 90037 323-235-9424	Trade Debt	\$480,223.61
6.	KBL Group International LTD	9142-9150 NORWALK BLVD SANTA FE SPRINGS CA 90670 562-699-8995	Trade Debt	\$374,010.60
7.	Spicy Clothing Co LLC	530 SEVENTH AVE STE 302 NEW YORK NY 10018 201-243-2500	Trade Debt	\$343,110.10
8.	Celebrity Pink	1708 GAGE ROAD MONTEBELLO, CA 90640 323-837-9800	Trade Debt	\$326,256.05
9.	G. Girl	1800 E. 50TH ST LOS ANGELES CA 90058 323-233-3017	Trade Debt	\$324,451.82

	<b>Creditor</b>	<b>Contact, Mailing Address &amp; Telephone Number/Fax Number</b>	<b>Nature of Claim</b>	<b>Amount of Claim</b>
10.	Tailgate Clothing Co	2805 S.W. SNYDER BLVD ANKENY IA 50023	Trade Debt	\$267,570.95
11.	Marketlive Inc	75 REMITTANCE DR DEPT 1372 CHICAGO IL 60675-1372 877-341-5729	Database Mgmt	\$233,017.09
12.	Big Strike DBA Heart N Soul	127 E 9TH ST #906 LOS ANGELES CA 90015 310-851-4772	Trade Debt	\$227,975.68
13.	January Digital	400 E. 12TH ST #7 NEW YORK NY 10009	Web Marketing Programs	\$181,474.61
14.	Fire Div of Topson Downs	3539 MOTOR AVE LOS ANGELES CA 90034	Trade Debt	\$179,318.20
15.	Mighty Fine	2010 E 15TH ST LOS ANGELES, CA 90021 213-627-2498	Trade Debt	\$172,320.84
16.	Revolve Apparel NYC INC	9 THE MAPLES ROSLYN, NY 11576 718-821-2245	Trade Debt	\$162,408.30
17.	GMPC Total	11390 W. OLYMPIC BLVD STE 400 LOS ANGELES CA 90064 310-392-0443	Trade Debt	\$159,030.05
18.	Brandon Thomas Co. LTD	1407 BROADWAY, STE 803 NEW YORK, NY 10018 917-229-1400	Trade Debt	\$146,139.25
19.	Eco Textiles Group Inc	1035 SOUTH GRAND AVE STE 400 LOS ANGELES CA 90015 213-744-7900	Trade Debt	\$139,500.00
20.	Urban Episode Inc	794 E. 18TH ST LOS ANGELES CA 90021 213-765-0515	Trade Debt	\$117,038.95
21.	Jakes Dry Goods	2749 TANAGER AVE COMMERCE CA 90040 323-583-1111	Trade Debt	\$114,098.95
22.	Sweden Unlimited	199 LAFAYETTE ST STE 4A2 NEW YORK NY 10012 212-941-5904	Web Advertising Programs	\$110,750.00
23.	Mightyhive Inc	P.O. BOX 398017 SAN FRANCISCO CA 94139- 8017 610-737-7001	Web Advertising Programs	\$108,609.24

	<b>Creditor</b>	<b>Contact, Mailing Address &amp; Telephone Number/Fax Number</b>	<b>Nature of Claim</b>	<b>Amount of Claim</b>
24.	Park Mall LLC	SDS-12-1377 P.O. BOX 86 MINNEAPOLIS MN 55486- 1377	Store Rent	\$99,074.50
25.	Reliable of Milwaukee	100 CAMPBELLSPORT DR CAMPBELLSPORT WI 53010	Trade Debt	\$99,074.50
26.	Defy Media LLC	DEPT CH 19589 PALATINE IL 60055-9589 212-244-4307	Web URL Fees	\$87,000.00
27.	Orly Shoe Co	350 FIFTH AVE RM 6721 NEW YORK NY 10118 212-695-0998	Trade Debt	\$86,700.59
28.	The Ultimate Software Group Inc	P.O. BOX 930953 ATLANTA GA 31193-0953 954-331-7000	HR Systems	\$86,560.45
29.	Sunrise Apparel Group LLC	801 S. FIGUEROA ST SUITE 2500 LOS ANGELES CA 90017	Trade Debt	\$81,316.58
30.	Secret Charm LLC	1437 E. 20TH ST LOS ANGELES CA 90011	Trade Debt	\$77,809.25
31.	Wanted Shoes Inc	48 ETHEL ROAD EDISON NJ 08817	Trade Debt	\$75,732.50
32.	Rakuten Marketing LLC	215 Park Ave New York NY 10003	Web Advertising	\$73,812.64
33.	The Glam Fashion Inc	952 S Western Ave #105-77 Los Angeles CA 90006 323-731-5570	Trade Debt	\$71,229.50
34.	Younique Clothing	270 W 38 <sup>th</sup> Street New York NY 10018 212-764-2121	Trade Debt	\$70,160.95
35.	IT Closet	170 W39th Street Los Angeles CA 90037 323-234-1321	Trade Debt	\$68,618.30
36.	Midway Industries America Inc	10 W 33 <sup>rd</sup> Street STE 1221 New York NY 10001 212-244-4777	Trade Debt	\$66,682.77
37.	J&F Design Inc	5578 Bandini Blvd Bell CA 90201 323-526-4444	Trade Debt	\$65,693.30

	<b>Creditor</b>	<b>Contact, Mailing Address &amp; Telephone Number/Fax Number</b>	<b>Nature of Claim</b>	<b>Amount of Claim</b>
38.	Bravado Int'l Group MS Inc	1755 Broadway 2 <sup>nd</sup> Floor New York NY 10019 212-445-3412	Trade Debt	\$64,085.50
39.	Converse Inc	One High Street No14 North Andover MA 01845	Trade Debt	\$63,942.78
40.	Kash Apparel LLC	1929 Hooper Ave Los Angeles CA 90011 213-747-8885	Trade Debt	\$60,935.00
41.	Inspireme Apparel LLC	10018 Lower Azusa Road #B El Monte CA 91731 626-582-8855	Trade Debt	\$60,686.00
42.	Crater Communications Inc	PO Box 588 West Brookfield MA 01585 508-637-1661	Trade Debt	\$56,749.36
43.	Donnelly Communications	1349 W Peachtree Street STE 100 Atlanta GA 30309 800-535-2880	Call Center	\$55,920.77
44.	Hot Steps	236 5 <sup>th</sup> Ave 3 <sup>rd</sup> Floor New York NY 10001 212-481-9090	Trade Debt	\$55,247.70
45.	EOS Products	19 W 44 <sup>th</sup> STE 811 New York NY 10036	Trade Debt	\$54,763.20
46.	4836 The Retail Property Trust	PO Box 35467 Newark NJ 07193	Store Rent	\$53,088.38
47.	Signmasters Inc	217 Brook Ave Passaic NJ 07055 973-614-8300	Store Signage	\$53,024.28
48.	Farylrobin	200 Park Ave South #1610 New York NY 10003	Trade Debt	\$52,295.25
49.	Deloitte Tax LLP	1633 Broadway New York NY 10019	Tax Service	\$51,997.00
50.	Westchester Mall LLC	PO Box 643095 Pittsburgh PA 15264	Store Rent	\$50,322.86

### SCHEDULE 3

#### Consolidated List of the Holders of the 5 Largest Secured Claims

Pursuant to Local Rule 1007-2(a)(5), the following lists the creditors holding, as of the Petition Date, the five largest secured, non-contingent claims against the Debtors, on a consolidated basis, excluding claims of insiders as defined in 11 U.S.C. § 101.

The information contained herein shall not constitute an admission of liability by, nor is it binding on, the Debtors. The Debtors reserve all rights to assert that any debt or claim listed herein is a disputed claim or debt, and to challenge the priority, nature, amount or status of any such claim or debt. The descriptions of the collateral securing the underlying obligations are intended only as brief summaries. In the event of any inconsistencies between the summaries set forth below and the respective corporate and legal documents relating to such obligations, the descriptions in the corporate and legal documents shall control.

In addition to the parties listed below, the Debtors may have unliquidated and/or contingent claims as a result of parties asserting a security interest against the Debtors' assets through UCC filings.

	<b>Creditor</b>	<b>Contact, Mailing Address &amp; Telephone Number/Fax Number</b>	<b>Nature of Claim</b>	<b>Amount of Claim</b>
1.	Eklecco Newco LLC	Pyramid Management Group, Inc. (on behalf of EKLECCO NEWCO LLC)  The Clinton Exchange, 4 Clinton Square Syracuse, New York 13202-1078	Pursuant to the Standard Shopping Center Lease, dated February 13, 2006, a first lien on all Merchandise and Owned FF&E in Store 292.	The Debtors are current on their rent obligations under the lease with this party.
2.	Holyoke Mall Company, L.P.	Pyramid Management Group, Inc. (on behalf of Holyoke Mall Company LP) The Clinton Exchange, 4 Clinton Square Syracuse, New York 13202-1078	Pursuant to the Standard Shopping Center Lease, dated February 14, 2006, a first lien on all Merchandise and Owned FF&E in Store 295.	The Debtors are current on their rent obligations under the lease with this party
3.	Pyramid Walden Company, L.P., successor in interest to Pyramid	Pyramid Management Group, Inc. The Clinton Exchange, 4 Clinton Square Syracuse, New York 13202-1078	Pursuant to the Standard Shopping Center Lease, dated February 6, 2002, a first lien on all Merchandise and Owned	The Debtors are current on their rent obligations under the lease with this party

	<b>Creditor</b>	<b>Contact, Mailing Address &amp; Telephone Number/Fax Number</b>	<b>Nature of Claim</b>	<b>Amount of Claim</b>
	Company of Buffalo		FF&E in Store 309.	
4.	Salus Capital Partners, LLC	Salus Capital Partners, LLC 197 First Avenue, Suite 250 Needham, MA 02494 Attn: Kyle C. Shonack Telephone: (617) 420-2670 Facsimile: (781) 459-0058	Pursuant to the prepetition Credit Agreement, dated June 14, 2013, a first lien on substantially all of the assets with the exception of the Merchandise and Owned FF&E in Stores 292, 295 and 309, which Salus Capital Partners LLC holds a second lien.	\$18,520,584

## **SCHEDULE 4**

### **Summary of the Debtors' Assets and Liabilities**

Pursuant to Local Rule 1007-2(a)(6), the following financial data (unaudited and subject to change) is the latest available information and reflects the Debtors' financial conditions, as consolidated as of Petition Date.

The following financial data shall not constitute an admission of liability by the Debtors. The Debtors reserve all rights to assert that any debt or claim included herein is a contingent, unliquidated or disputed claim or debt or challenge the priority, nature, amount or status of any claim or debt.

Total Assets: \$47 million

Total Liabilities: \$50.5 million

## **SCHEDULE 5**

### **Schedule of Publicly Held Securities**

Pursuant to Local Rule 1007-2(a)(7), the following is a schedule of the Company's shares of stock, debentures and other securities that are publicly held, and the approximate number of holders thereof.

<b>Issuance</b>	<b>Issue Amount/ Number of Shares</b>	<b>Maturity</b>	<b>Secured/ Unsecured</b>	<b>Number of Shares Outstanding</b>	<b>Approx. Number of Holders</b>
Common Stock	77,041,963			77,011,303	190
Preferred Stock	441,000			391,600	9

Pursuant to Local Rule 1007-2(a)(7), the following chart sets forth a list of the names of the Company's officers and directors who own shares of stock, debenture or other securities of the Company, and the amounts so held.

<b>Name</b>	<b>Shares Owned</b>	<b>Percent of Outstanding Stock</b>
Paul Raffin	349,448	0.45%
Scott Rosen	308,227	0.40%
Mario Ciampi	186,212	0.24%
David Diamond	167,397	0.22%
Ryan Schreiber	25,000	0.03%
Daphne Smith	100,000	0.13%
Michael Zimmerman	293,373	0.38%



## **SCHEDULE 6**

### **List of Debtors' Property In the Possession of Third Parties**

Pursuant to Local Rule 1007-2(a)(8), the following lists the Debtors' property that is in the possession or custody of any custodian, public officer, mortgage, pledge, assignee of rents, secured creditor, or agent for any such entity:

In the ordinary course of business, property of the Debtors is likely to be in possession of various other persons, including suppliers, maintenance providers, shippers, common carriers, custodians, public officer, or agents.

As of the Petition Date, the Debtors estimate that the value of goods in the possession of carriers, shippers or other logistics providers is minimal as the Debtors have stopped purchasing inventory and most of their inventory is either in their distribution center or in their retail stores.

## SCHEDULE 7

### Summary of Property From Which the Debtors Operate Their Business

Pursuant to Local Rule 1007-2(a)(9), the following lists the property or premises owned, leased or held under other arrangement from which the Debtors operate their businesses.

Debtor	Premises Description	Leased/ Owned	Premises Address
dELiA*s, Inc.	Corporate Headquarters	Leased	50 West 23rd Street New York, NY 10010
dELiA*s Distribution Company	Distribution Center	Owned	348 Poplar Street Hanover, PA 17331
dELiA*s Retail Company	Retail Store 202	Leased	2165 Willowbrook Mall Wayne, NJ 07470
dELiA*s Retail Company	Retail Store 207	Leased	100 Menlo Park Road Edison, NJ 8837
dELiA*s Retail Company	Retail Store 210	Leased	1245 Worcester Street Natick, MA 01760
dELiA*s Retail Company	Retail Store 215	Leased	825 Dulaney Valley Rd Towson, MD 21204
dELiA*s Retail Company	Retail Store 216	Leased	160 N. Gulph Road King of Prussia, PA 19406
dELiA*s Retail Company	Retail Store 219	Leased	5 Woodfield Shopping Center Schaumburg, IL 60173
dELiA*s Retail Company	Retail Store 229	Leased	630 Old Country Rd Garden City, NY 11530
dELiA*s Retail Company	Retail Store 233	Leased	400 Commons Way Bridgewater, NJ 08807
dELiA*s Retail Company	Retail Store 241	Leased	250 Lehigh Valley Mall Whitehall, PA 18052
dELiA*s Retail Company	Retail Store 242	Leased	100 Robinson Center Drive Pittsburgh, PA 15205
dELiA*s Retail Company	Retail Store 250	Leased	1 Crossgates Mall Road Albany, NY 12203
dELiA*s Retail Company	Retail Store 251	Leased	3811 S. Cooper Street Arlington, TX 76015
dELiA*s Retail Company	Retail Store 256	Leased	136 Easton Town Center Columbus , OH 43219
dELiA*s Retail Company	Retail Store 257	Leased	2760 N. Germantown Parkway Memphis , TN 38133

<b>Debtor</b>	<b>Premises Description</b>	<b>Leased/ Owned</b>	<b>Premises Address</b>
dELiA*s Retail Company	Retail Store 260	Leased	2000 Riverchase Galleria Hoover , AL 35244
dELiA*s Retail Company	Retail Store 265	Leased	3333 Buford Drive Buford, GA 30519
dELiA*s Retail Company	Retail Store 267	Leased	11800 West Broad St. Richmond, VA 23233
dELiA*s Retail Company	Retail Store 268	Leased	2000 Coastal Grand Circle Myrtle Beach, SC 29577
dELiA*s Retail Company	Retail Store 269	Leased	130 Montgomery Mall North Wales, PA 19454
dELiA*s Retail Company	Retail Store 270	Leased	1750 Deptford Center Rd. Deptford, NJ 8096
dELiA*s Retail Company	Retail Store 271	Leased	27666 Novi Road Novi, MI 48377
dELiA*s Retail Company	Retail Store 273	Leased	6801 Northlake Mall Drive Charlotte, NC 28216
dELiA*s Retail Company	Retail Store 274	Leased	270 North Garden Bloomington, MN 55425
dELiA*s Retail Company	Retail Store 275	Leased	10300 West Forest Hill Blvd Wellington , FL 33414
dELiA*s Retail Company	Retail Store 276	Leased	4403 Black Horse Pike Mays Landing, NJ 8330
dELiA*s Retail Company	Retail Store 277	Leased	400 Ernest Barrett Parkway Kennesaw, GA 30144
dELiA*s Retail Company	Retail Store 278	Leased	8687 North Central Expressway Dallas, TX 75225
dELiA*s Retail Company	Retail Store 279	Leased	331 Grand Avenue East Southlake, TX 76092
dELiA*s Retail Company	Retail Store 280	Leased	490 Cedar Sage Drive Garland , TX 75040
dELiA*s Retail Company	Retail Store 281	Leased	310 Daniel Webster Highway Nashua, NH 3060
dELiA*s Retail Company	Retail Store 282	Leased	1201 Boston Post Rd Milford, CT 6460
dELiA*s Retail Company	Retail Store 283	Leased	14511 Clay Terrace Blvd Carmel, IN 46032
dELiA*s Retail Company	Retail Store 284	Leased	6121 W. Park Blvd Plano, TX 75093

<b>Debtor</b>	<b>Premises Description</b>	<b>Leased/ Owned</b>	<b>Premises Address</b>
dELiA*s Retail Company	Retail Store 285	Leased	2368 East Sunrise Blvd Ft. Lauderdale, FL 33304
dELiA*s Retail Company	Retail Store 286	Leased	81 Chestnut St. Beavercreek, OH 45440
dELiA*s Retail Company	Retail Store 287	Leased	2655 Richmond Ave Staten Island, NY 10314
dELiA*s Retail Company	Retail Store 288	Leased	1516 Annapolis Mall Annapolis, MD 21401
dELiA*s Retail Company	Retail Store 289	Leased	5770 North Bayshore Drive Glendale, WI 11706
dELiA*s Retail Company	Retail Store 290	Leased	261 Miracle Mile Drive Rochester , NY 14623
dELiA*s Retail Company	Retail Store 291	Leased	4670 Merchants Park Circle Collierville, TN 38017
dELiA*s Retail Company	Retail Store 292	Leased	2740 Palisades Center Drive West Nyack, NY 10994
dELiA*s Retail Company	Retail Store 294	Leased	49 West Maryland St. Indianapolis, IN 46204
dELiA*s Retail Company	Retail Store 295	Leased	50 Holyoke St. Holyoke, MA 01040
dELiA*s Retail Company	Retail Store 296	Leased	3320 Silas Creek Parkway Winston-Salem, NC 27103
dELiA*s Retail Company	Retail Store 297	Leased	8201 South Tamiami Trail North Sarasota , FL 34238
dELiA*s Retail Company	Retail Store 298	Leased	101 Jordan Creek Parkway West Des Moines, IA 50266
dELiA*s Retail Company	Retail Store 299	Leased	10300 Southside Boulevard Jacksonville, FL 32256
dELiA*s Retail Company	Retail Store 301	Leased	2092 Independence Center Independence, MO 64057
dELiA*s Retail Company	Retail Store 303	Leased	627 East Boughton Road Bolingbrook, IL 60440
dELiA*s Retail Company	Retail Store 304	Leased	5701 Sunset Drive South Miami, FL 33143
dELiA*s Retail Company	Retail Store 305	Leased	2015 Charleston Town Center Charleston, WV 25389
dELiA*s Retail Company	Retail Store 306	Leased	43 Chesterfield Mall Chesterfield, MO 63017

<b>Debtor</b>	<b>Premises Description</b>	<b>Leased/ Owned</b>	<b>Premises Address</b>
dELiA*s Retail Company	Retail Store 307	Leased	1500 Polaris Parkway Columbus, OH 43240
dELiA*s Retail Company	Retail Store 309	Leased	1 Walden Galleria Cheektowaga, NY 14225
dELiA*s Retail Company	Retail Store 311	Leased	23106 Fashion Drive Estero, FL 33928
dELiA*s Retail Company	Retail Store 313	Leased	7101 NW 86th Terrace Kansas City, MO 64153
dELiA*s Retail Company	Retail Store 315	Leased	1700 Cottonwood Creek Highland Village, TX 75077
dELiA*s Retail Company	Retail Store 316	Leased	1975 Southlake Mall Merrillville, IN 46410
dELiA*s Retail Company	Retail Store 318	Leased	194 Buckland Hills Drive Manchester , CT 06042
dELiA*s Retail Company	Retail Store 319	Leased	2615 Medical Center Parkway Murfreesboro, TN 37129
dELiA*s Retail Company	Retail Store 320	Leased	17420 Hall Road Clinton Township, MI 48038
dELiA*s Retail Company	Retail Store 321	Leased	11200 Lakeline Mall Drive Cedar Park , TX 78613
dELiA*s Retail Company	Retail Store 322	Leased	999 S. Washington Street North Attleboro, MA 02760
dELiA*s Retail Company	Retail Store 323	Leased	2112 North Point Circle Alpharetta, GA 30022
dELiA*s Retail Company	Retail Store 324	Leased	428 South Park Center Strongsville, OH 44136
dELiA*s Retail Company	Retail Store 325	Leased	10300 Little Patuxent Parkway Columbia, MD 21044
dELiA*s Retail Company	Retail Store 332	Leased	26300 Cedar Road Beachwood, OH 44122
dELiA*s Retail Company	Retail Store 335	Leased	205A Yorktown Mall Lombard, IL 60148
dELiA*s Retail Company	Retail Store 336	Leased	75 Middlesex Turnpike Burlington , MA 1803
dELiA*s Retail Company	Retail Store 339	Leased	1151 Galleria Blvd Roseville, CA 95678

<b>Debtor</b>	<b>Premises Description</b>	<b>Leased/ Owned</b>	<b>Premises Address</b>
dELiA*s Retail Company	Retail Store 340	Leased	2200 South 10th Street McAllen, TX 78503
dELiA*s Retail Company	Retail Store 341	Leased	6401 Bluebonnet Blvd Baton Rouge, LA 70836
dELiA*s Retail Company	Retail Store 342	Leased	2428 Fox Valley Center Aurora, IL 60504
dELiA*s Retail Company	Retail Store 343	Leased	99 Rockingham Park Blvd Salem, NH 03079
dELiA*s Retail Company	Retail Store 344	Leased	210 Andover Street Peabody, MA 01960
dELiA*s Retail Company	Retail Store 345	Leased	364 Maine Mall Road South Portland, ME 4106
dELiA*s Retail Company	Retail Store 350	Leased	450 Smith Haven Mall Lake Grove, NY 11755
dELiA*s Retail Company	Retail Store 351	Leased	112 Eisenhower Parkway Livingston, NJ 07039
dELiA*s Retail Company	Retail Store 352	Leased	4301 W. Wisconsin Ave Appleton, WI 54913
dELiA*s Retail Company	Retail Store 353	Leased	7600 Kingston Pike Knoxville, TN 37919
dELiA*s Retail Company	Retail Store 354	Leased	250 Granite Street Braintree, MA 02184
dELiA*s Retail Company	Retail Store 356	Leased	150 Christiana Mall Newark, DE 19702
dELiA*s Retail Company	Retail Store 359	Leased	1 Garden State Plaza Paramus, NJ 07652
dELiA*s Retail Company	Retail Store 362	Leased	3030 Plaza Bonita Rd National City, CA 91950
dELiA*s Retail Company	Retail Store 363	Leased	3700 Rivertown Pkwy S.W. Grandville , MI 49418
dELiA*s Retail Company	Retail Store 364	Leased	663 Stillwater Avenue Bangor, ME 04401
dELiA*s Retail Company	Retail Store 368	Leased	2561 McMenamin St Hampton, VA 23666
dELiA*s Retail Company	Retail Store 373	Leased	301 Mt. Hope Ave Rockaway, NJ 07866
dELiA*s Retail Company	Retail Store 374	Leased	125 Westchester Ave White Plains, NY 10601
dELiA*s Retail Company	Retail Store 375	Leased	127 Providence Place Providence, RI 02903

<b>Debtor</b>	<b>Premises Description</b>	<b>Leased/ Owned</b>	<b>Premises Address</b>
dELiA*s Retail Company	Retail Store 376	Leased	122 Hawthorn Center Vernon Hills, IL 60061
dELiA*s Retail Company	Retail Store 377	Leased	1734 Military Road Niagara Falls, NY 14304

## **SCHEDULE 8**

### **Location of the Debtors' Assets, Books and Records**

Pursuant to Local Rule 1007-2(a)(10), the following lists the locations of the Debtors' substantial assets, the location of their books and records, and the nature, location and value of any assets held by the Debtors outside the territorial limits of the United States.

#### **Location of Debtors' Substantial Assets**

The Debtors have assets nationwide of approximately \$47 million (unaudited and subject to change), with substantial assets in New York, NY and Hanover, PA.

#### **Books and Records**

The Debtors' books and records are located at 50 West 23rd Street, New York, NY 10010.

#### **Debtors' Assets Outside the United States (if applicable)**

The Debtors do not have assets outside of the United States.



## SCHEDULE 9

### Summary of Legal Actions Against the Debtors

Pursuant to Local Rule 1007-2(a)(11), the following is a list of the nature and present status of each material action or proceeding, pending or threatened, against the Debtors or their properties where a judgment against the Debtors or a seizure of their property may be imminent.

Action or Proceeding	Date Filed	Nature of Action	Case Number and Court	Status of Action
Major Textile Imports, Inc. v. dELiA*s, Inc., <i>et al.</i>	September 2, 2014	Trademark Infringement	US District Court for the District of Southern California, Case No.	Pending
Collins Asset Group, LLC v. dELiA*s, Inc.	July 3, 2014	Breach of Contract	County of New York, CV-018070-14/NY	Pending
Collins Asset Group, LLC v. dELiA*s, Inc.	July 3, 2014	Breach of Contract	County of New York, CV-018071-14/NY	Pending
Santos v. dELiA*s, Inc.	August 14, 2014	Employee Discrimination	Tennessee Human Rights Commission, Charge No. 3-106-14/EEOC Charge No. 25A-2014-00548C	Pending

## **SCHEDULE 10**

### **Senior Management**

Pursuant to Local Rule 1007-2(a)(12), the following provides the names of the individuals who comprise the Debtors' existing senior management, a description of their tenure with the Debtors, and a brief summary of their relevant responsibilities and experience.

<b>Name/Position</b>	<b>Experience and Responsibilities</b>
Ryan Schreiber President, General Counsel, Secretary	On December 5, 2014, Ryan Schreiber, age 45 was appointed as Chief Executive Officer and will continue in his capacity as General Counsel and Secretary. Mr. Schreiber served as the Company's Senior Vice President, General Counsel and Secretary beginning in September 2013. He previously served as Vice President and General Counsel to New York & Company from 2007 until 2013 and led the legal team upon joining the business in 2004. Prior to that, Mr. Schreiber served as in-house counsel in various capacities for The Children's Place from 1999 to 2004. Mr. Schreiber also served as an attorney in the commercial real estate and litigation departments of Farer Siegal Fersko, P.A., and as counsel to Party City Corporation and Petrie Retail, Inc.
Edward Brennan Chief Financial Officer	On December 5, 2014, Edward Brennan, age 50, was appointed as Chief Financial Officer. Mr. Brennan served as the Company's Vice President of Finance beginning in January 2009 and was Senior Director of Finance since February 2004. He previously worked at J.Crew from 1992 through 2004 in various roles including Senior Director of Finance. Prior to that, Mr. Brennan worked at Browning-Ferris Industries from 1989 to 1992 and Petrie Retail, Inc. from 1986 to 1989 in various roles in Accounting.
Daphne Smith Executive Vice President, Operations	Ms. Smith has served as the Debtors' EVP of Operations since August 2013. Before joining the Debtors' management team, Ms. Smith was SVP of eCommerce for New York & Company for 2 years. For the first 16 years of Ms. Smith's career she was with J.Crew Group, Inc. where she held various positions within planning and ultimately became the SVP of Direct until leaving in 2011.
David Diamond Senior Vice President, Human Resources	Mr. Diamond has served as the Debtors' Senior Vice President of Human Resources since January 2004. Before joining the Debtors' management team, Mr. Diamond was an Executive Recruiter with Levy Kerson Associates, Russell Reynold Associates from 1996 to 2004.

## **SCHEDULE 11**

### **Payroll**

Pursuant to Local Rule 1007-2(b)(1)-(2)(A) and (C), the following provides the estimated amount of weekly payroll to be paid to the Debtors' employees (not including officers and directors) and the estimated amount to be paid to officers, directors, and financial and business consultants retained by the Debtors, for the 30-day period following the filing of the Chapter 11 petitions.

<b>Payments to Employees, Officers and Directors</b>	
Payments to Employees (Not Including Officers and Directors)	\$1,954,000
Payments to Officers and Directors	\$198,000

<b>Payments to Financial and Business Consultants</b>	
Janney Montgomery Scott LLC	\$0
Clear Thinking Group LLC	\$150,000

## **SCHEDULE 11**

### **Cash Receipts and Disbursements, Net Cash Gain or Loss, Unpaid Obligations and Receivables**

Pursuant to Local Rule 1007-2(b)(3), the following provides, for the 30-day period following the Petition Date, the estimated cash receipts and disbursements, net cash increase or decrease, and obligations and receivables expected to accrue that remain unpaid, other than professional fees, on a consolidated basis.

Cash Receipts	\$22,941,510
Cash Disbursements	\$6,643,760
Net Cash Increase (Decrease)	\$16,170,260
Unpaid Obligations	\$15,300,848
Unpaid Receivables	\$625,000